

Approved For Release 2002/05/17 : CIA-RDP87-01130R000100130005-1

15 December 1980

Executive Registry

80-43666

MEMORANDUM FOR : Director, Central Intelligence

FROM :
Chairman, Fine Arts Commission

SUBJECT : Melzac Paintings

REFERENCE : Your Memorandum of 28 October 1980

1. At the time I received your referenced memorandum I was seeking to meet a second time with Mr. Melzac to discuss the rotation of the painting collection which he has so generously placed on loan to CIA. I met with him on 11 December in part to convey to him the results of our legislative efforts to acquire authority to accept gifts.

2. The Agency's original agreement on the loan of the paintings, which is still in force, specifically provides for rotation and permanent return of any paintings on loan. In my initial June 1980 meeting with Mr. Melzac he had mentioned his jumbled storage of 500 paintings from which he would be delighted to have us select "any" items for rotation of the display presently at CIA. Our conversation was in terms of rotation of some of the paintings, not all, (though he explicitly stated that he was quite willing to have us do that too). This was put to him in terms of stimulating and holding interest by changing the exhibit every 18 months to two years. (It is true that I am not fond of all of his paintings now on display.)

3. Mr. Melzac said in June that he had first to catalog anew all of the 500 paintings in storage--a process he hoped to finish in September--and then we could come to select what we wanted for rotation. When I called in late October he said he would be finished with the cataloging process at the end of November and we agreed to meet in early December.

4. In neither of my meetings with Mr. Melzac did he seem anxious to devolve ownership of art works onto the Agency in the immediate future. My researches indicate my predecessor also gained the same impressions in his earlier meetings with Mr. Melzac. What the man appears to us to wish to do is be in a position to: (a) will us some paintings---quite possibly the entire amount on loan to us, and/or (b) suddenly grant us ownership for tax purposes when that becomes important (essential) to him at some unspecified time in the future---quite possibly if he has some particularly hefty capital gain or taxable income he wishes to offset.

5. Mr. Melzac now has a copy of the law as it pertains to CIA authority to accept gifts and I imagine he will consult with his legal and tax advisors on how to take advantage of it in his estate planning. I would personally not expect any immediate action on this front, however. I did note a distinct change for the worse in Mr. Melzac's health between the June and December 1980 visits, and he commented upon it also. He will be 71 next month, but he still looks younger than I do at 52.

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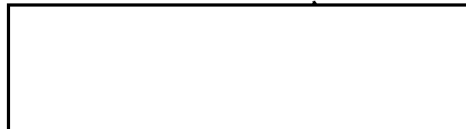
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6. I recommend no further action by you at this time. I am retiring effective 9 January and will brief my successor on proper follow-up to work out some rotation of the art works and to keep Mr. Melzac's interest in CIA alive and active. Mr. Melzac and I have tentative plans for me to introduce him to my successor after he or she is named, even if I am then retired.

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